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SHARED VALUES

HOW WE DO OUR JOBS

IS AS IMPORTANT AS WHAT WE DO

I. INTRODUCTION

Values are the silent movers behind our attitudes, actions, and behaviors. They guide the decisions we make as we operate the Laboratory.

II. SHARED VALUES AND LEADERSHIP STYLE

Leadership style in a society or organization can take on two forms:

- Centralized. Leadership is concentrated in a small number of managers at the loftiest levels of the organization (e.g., "the 4th floor").
- Dispersed. Leadership is dispersed throughout all units (e.g., directorates, divisions, and groups) and job levels in the organization.

Decisions, actions, and behaviors in the centralized-leadership organization, such as how employees are treated, how business is done, how the environment is treated, etc., are driven by the values of the small group of leaders. Under this type of leadership, management style is directive. The behaviors of employees are controlled by rules, not by the shared values of the employees; e.g., "you will comply with environmental regulations or go to jail", etc.

In the dispersed-leadership organization, behaviors of employees are not controlled as much by rules as guided by values shared by everyone; e.g., "we will not pollute the environment because we care about the quality of life in northern New Mexico", etc.

There is always a conflict, a tug-of-war, between these two leadership styles. Organizations move towards the centralized style when shared values become confused, weak, and unclear; they move towards dispersed leadership as values are affirmed, clarified, and regenerated.

Modern organizations like the Laboratory are so complex and the institutional problems they face (i.e., environmental compliance, drug testing, affirmative action) are so challenging that a centralized leadership style will not succeed. No leader (or small group of leaders) is so smart and so talented that he/she can successfully address these problems.

In his new book On Leadership John W. Gardner points out that the only hope of dealing with complex problems, whether they are those of society or of organizations such as the Laboratory, is through dispersed, rather than centralized, leadership:

Most leadership today is an attempt to accomplish purposes through (or in spite of) large, intricately organized systems. There is no possibility that centralized authority can call all the shots in such systems, whether the system is a corporation or a nation. Individuals in all segments and at all levels must be prepared to exercise leaderlike initiative and responsibility, using their local knowledge to solve problems at their level.¹

III. CONFUSION OVER SHARED VALUES AND THE RISE OF CENTRALIZED-LEADERSHIP STYLE

Ideally our Laboratory should operate with dispersed-leadership, guided by values shared by all. Unfortunately this is not the case. We are increasingly being directed by centralized leadership. This is happening because we do not have strong shared values (did we ever have them?); we are guided less by values and directed more by rules. Leadership is being replaced by authority.

In 1986 the Director articulated several Laboratory values:²

- Quality/ Excellence
- Teamwork
- Integrity
- Caring
- Academic Freedom
- Work Ethic
- Good Neighbor

Even though some of these values — such as Quality/ Excellence — are well understood by our employees, others — Teamwork, Integrity, Caring, Work Ethic, Good Neighbor — are not. These less understood values are related more to *how* we operate the Laboratory and less to *what* we do; i.e., they are more operational and institutional than technical.

Frequently we observe that actions and behaviors of management are inconsistent with our values. These actions send confusing and conflicting messages. Examples of employees' perceptions include:

- RIFs. We say we care about our employees and they are important to us, yet they are the first to go (we RIF them!) when we run into small (about 5%) budget problems. Our words and our actions are not consistent with the Caring value.
- Value of Management. We teach many management training courses and are concerned about succession planning, yet we send strong messages to our employees that management is not important (i.e., "there is too much management around here"). We send conflicting and confusing messages about Quality/ Excellence, Teamwork, and Caring.
- Treatment of Women and Minorities. We say we are serious about affirmative action, and yet few women and minorities occupy serious leadership positions in the Laboratory. (We have, however, allowed them to occupy the "not so serious" administrative leadership positions). Our words and our actions are not consistent with Quality/Excellence, Teamwork, Integrity, and Caring.

- **Environment.** We say we are serious about being a good neighbor in northern New Mexico and we are concerned about the environment, yet we have generated an environmental problem that will cost \$2 billion to clean up. Our words and our actions are not consistent with Quality/Excellence, Integrity, Caring, Work Ethic, and Good Neighbor.

It is clear we neither understand nor apply these values well. We send confusing messages. We are inconsistent.

Even small inconsistencies are noticed by employees. As Peter Drucker notes:

What executives do, what they believe and value, what they reward and whom, are watched, seen, and minutely interpreted throughout the whole organization. And nothing is noticed more quickly -- and considered more significant -- than a discrepancy between what executives preach and what they expect their associates to practice.³

Frequently we treat expediency in getting a job done as if it were a fundamental operating principle that is important enough to override our values.⁴

IV. **A FUNDAMENTAL BALANCE**

In the past few years we have put significant effort into strategic planning (i.e., LA-2000) and program development. These efforts result in projects that let us do the technical things we are good at. These technical things are the ***whats*** of what we do; they include: design and testing of nuclear weapons, mapping of the human genome, study of the safety of the New Production Reactor, etc.

Although we have spent significant effort on the ***whats***, we have spent little effort on the ***hows*** of the Laboratory. By the ***hows*** I mean "how we manage our Laboratory; how we do our internal business" -- the ***hows***

are management decisions, actions, and behaviors that are guided by our operational and institutional values.

Examples of important **hows** include: how much we value our employees, how much we value management, how we treat the environment, how we treat women and minorities, how we treat health and safety, etc.

We have not had a LA-2000 for the **hows**.

It is clear that both the **whats** and the **hows** are critical to our success. However, we have not balanced them properly; the **whats** get most of our attention; the **hows** get little. We must begin to pay proper attention to both; I suggest the fundamental balance between them should be:

***How we do our jobs
is as important as what we do.***

Even though there are federal, state, and Univ. of California rules and regulations that apply to how we operate the Laboratory, we actually have more control over the **hows** than the **whats**, because they are primarily internally driven. We have considerable control over how we operate the Laboratory; we are not powerless.

V. REGENERATION OF SHARED INSTITUTIONAL VALUES

As discussed earlier, even though the values that relate to what we do — such as Quality/Excellence — are well understood within the Laboratory, the values that guide how we operate — such as Teamwork, Integrity, Caring, Work Ethic, Good Neighbor — are less understood. Because these institutional values are unclear, our managers and employees do not always act in the best interests of the Laboratory.

Also as discussed earlier, we send conflicting and confusing messages to our employees about our values by our decisions, actions, and behaviors.

In order to survive as a world-class scientific research institution, we must begin to rebuild and understand our shared values. As John Gardner notes:

Values always decay over time. Societies that keep their values alive do so not by escaping the process of decay but by powerful processes of regeneration.

There must be perpetual rebuilding. Each generation must rediscover the living elements in its own tradition and adapt them to the present realities.⁵

As we reestablish our shared values we can begin to return to the dispersed-leadership mode of operation. The collective wisdom and strength of the leadership at all levels throughout the Laboratory will help position us for success in the 21st century.

VI. HOW TO BEGIN

We must begin to regenerate our institutional values and build confidence in them. Every action we take, every behavior we exhibit, and every decision we make should reinforce and strengthen these values.⁶

In addition, these values need to be interpreted and described in everyday language; i.e., they must become operational, integrated into how we do our day-to-day business at the Laboratory. Unfortunately, there is no formula, no analytical way to generate and regenerate values. It is done only by careful examination of our "moral fabric" thru brainstorming, discussions, etc.

As discussed earlier, the areas where I believe we are having the greatest problems with regard to confusion in our values relate to the **hows** of the Laboratory – how we manage the Laboratory, how we do our internal business. These **hows** are guided by what I have called operational or Institutional values. These are the values that need immediate attention.

A way to begin examination and regeneration of these values is to start with the ones suggested by the Director in 1986: Quality/Excellence; Integrity; Caring; Academic Freedom; Teamwork; Work Ethic; and Good Neighbor.

Unfortunately, this list is large – certainly too large to start with.

Two of the values – Quality/Excellence and Caring – are of fundamental

importance to us; they possibly encompass some of the other values, for example, Teamwork could be a subset of Quality/Excellence, Good Neighbor could be a subset of Caring, etc.

VII. VALUE TREE

Even though there is no analytical process that can be used to help us understand and interpret a value such as Caring (so we can put it into everyday language to help guide decisions, actions, and behaviors) we can at least proceed in a systematic manner to delineate guidance from a value on how we should operate.

Fig. 1 illustrates a simple tree structure that can help us arrive at guidance on how we should operate the Laboratory – i.e., guides for our decisions, actions, and behaviors. This tree – which I call a Value Tree – is similar to event trees used in reactor safety analysis to delineate possible consequences in a reactor accident.

Fig. 1 shows the delineation of possible actions or behaviors from the value Caring. The four subvalues shown in Fig. 1 are my guesses as to what caring might mean to our employees.⁷ I don't claim these subvalues are complete or even correct. However, I like them!

Under the subvalue *Fairness* I indicate that a possible action the Laboratory might take would be to try to get more women and minorities into technical leadership positions. This is my Employer of Choice model, which I presented to the SMG in October 1989 (described in more detail in Appendix 1). Other actions might also be warranted.

Under the subvalue *Stability* I indicate that providing employees more job protection during periods of budget uncertainty might be an important action we could take. This is my Onion Layer model of human resource management that I developed a couple of years ago (described in more detail in Appendix 2).

Fig. 2 is a value tree for the value Quality/Excellence. In this tree I delineate that good management and good leadership are as important as good technical work to the future of the Laboratory. Suggested actions we should take are:

VALUE TREE

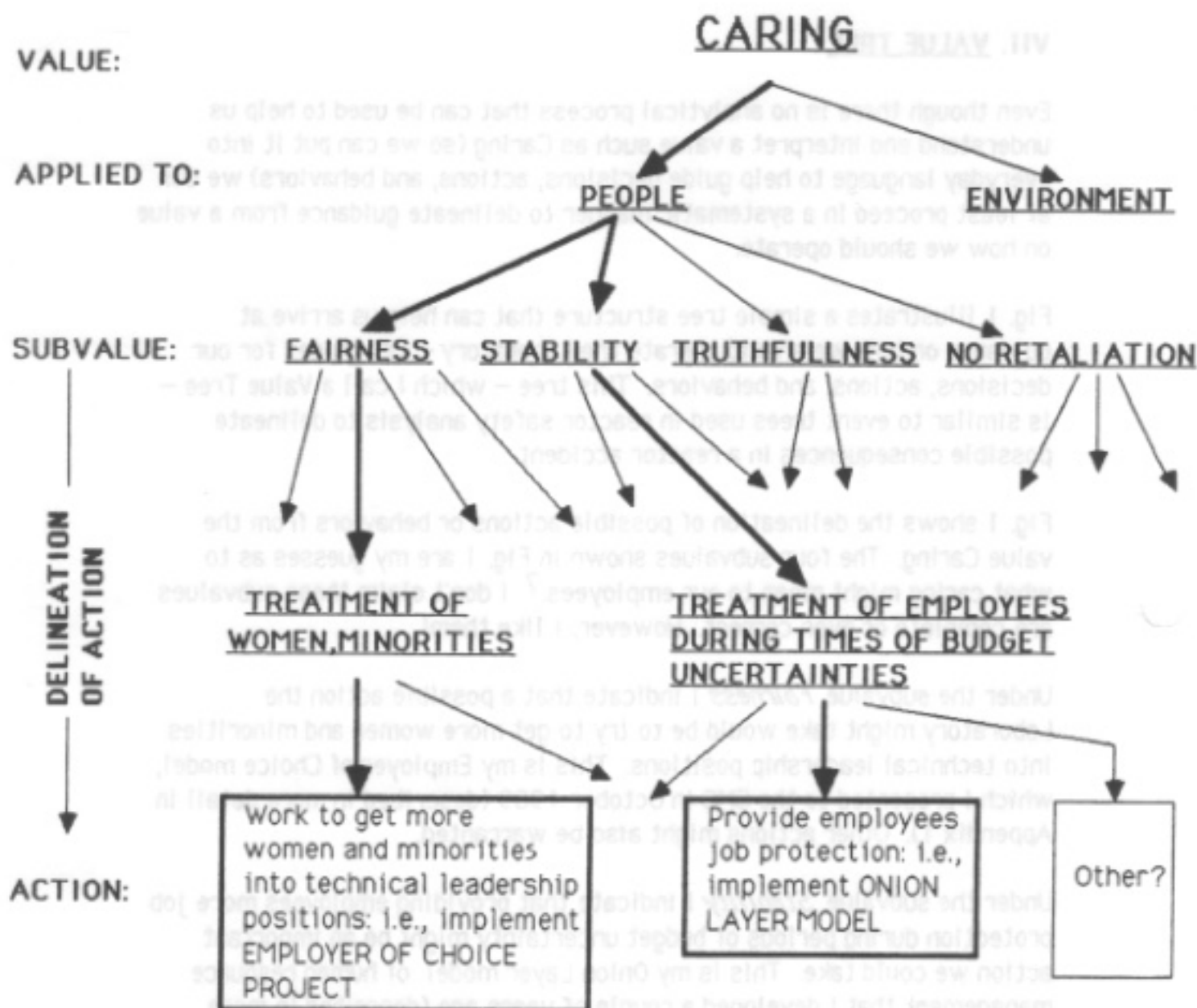


FIG. 1: Example of a Value Tree used to arrive at possible Laboratory decisions, actions, or behaviors from the value "CARING".

VALUE TREE

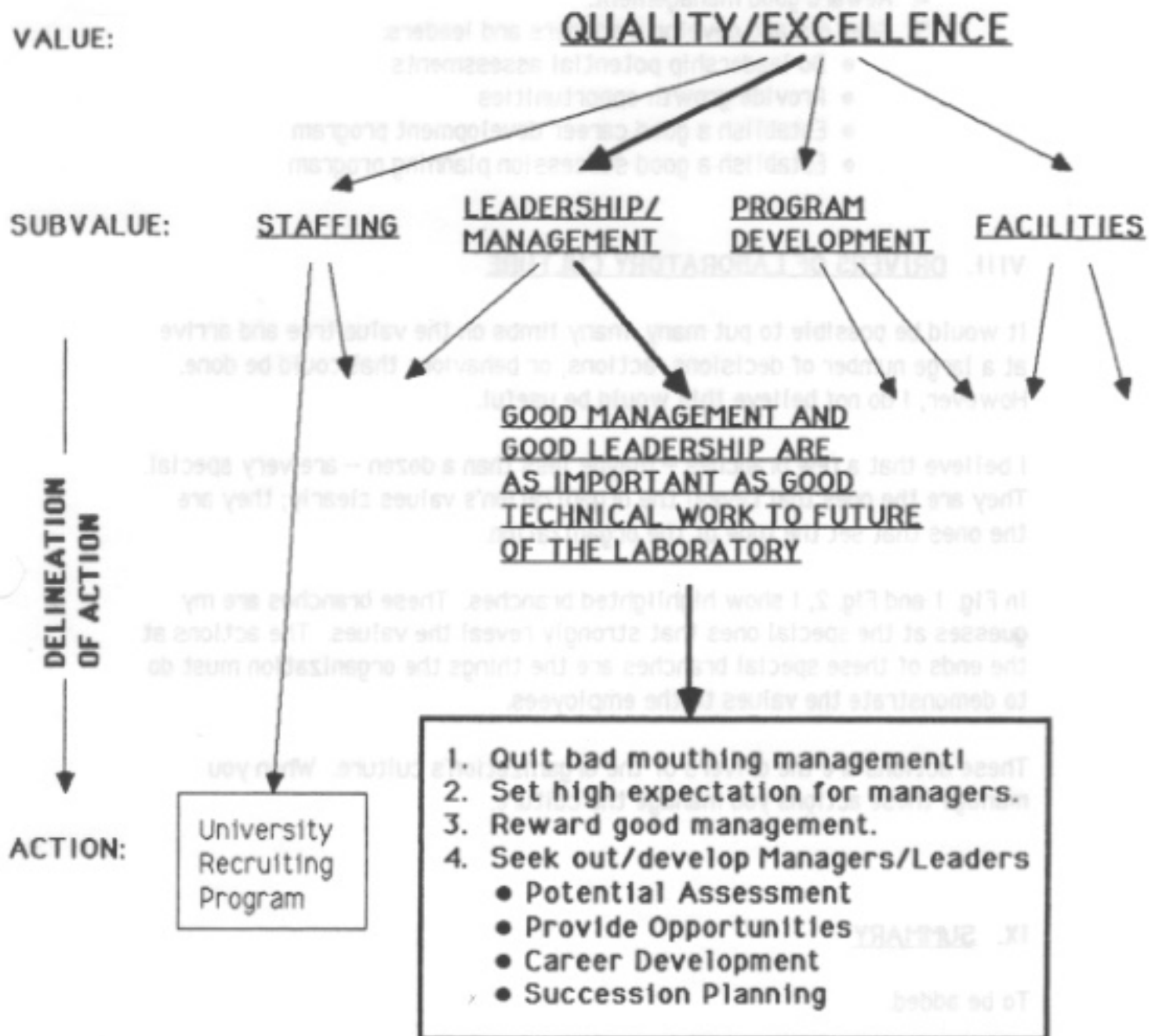


FIG. 2. Example of a Value Tree used to arrive at possible Laboratory decisions, actions, or behaviors from the value "QUALITY/EXCELLENCE".

1. Recognize that good management leads to good leadership.
2. Quit bad mouthing management.
3. Set high expectations for managers.
4. Reward good management.
5. Seek out and develop managers and leaders:
 - Do leadership potential assessments
 - Provide growth opportunities
 - Establish a good career development program
 - Establish a good succession planning program

VIII. DRIVERS OF LABORATORY CULTURE

It would be possible to put many, many limbs on the value tree and arrive at a large number of decisions, actions, or behaviors that could be done. However, I do not believe this would be useful.

I believe that a few branches – maybe less than a dozen – are very special. They are the ones that reveal the organization's values clearly; they are the ones that set the tone of the organization.

In Fig. 1 and Fig. 2, I show highlighted branches. These branches are my guesses at the special ones that strongly reveal the values. The actions at the ends of these special branches are the things the organization must do to demonstrate the values to the employees.

These actions are the drivers of the organization's culture. When you manage these actions you manage the culture.

IX. SUMMARY

To be added.

University
Recruiting
Program

FIG. 2. Example of a Value Tree used to arrive at possible Laboratory decisions, actions, or behaviors from the value "QUALITY/EXCELLENCE".

References:

1. John W. Gardner, On Leadership, The Free Press, New York, 1989, p.xiii.
2. Sandi Doughton-Evans, "Hecker reorganizes top management at LANL," Los Alamos Monitor, Feb. 4, 1986.
3. Quoted in Michael Josephson, "Principled Reasoning and Ethical Decision Making: Basic Resource Materials", Josephson Institute Training Program for Ethics Educators, 1990, p.1-23.
4. Michale Josephson, p. 1-18.
5. John W. Gardner, On Leadership, The Free Press, New York, pp. 13-14.
6. Adapted from Sissela Bok, A Strategy for Peace, Human Values and the Threat of War, Pantheon Books, New York, 1989, Chapter IV.
7. I have drawn on Sissela Bok's four moral constraints on violence, deceit, betrayal, and excessive secrecy and adapted them to a Caring value, A Strategy for Peace, p. 81.

APPENDIX 1 - Employer of Choice

(this is just a draft- it needs work!)

It is important that we get more women and minorities into leadership positions. Our survival as a world-class Laboratory depends on this.

The "value" we actually demonstrate to the Laboratory here is actually "expediency" - speed is more important than affirmative action. Expediency is apparently more important than survival!

In Oct. 1989 I presented to the SMG a plan - called the Employer of Choice - that would get more women and minorities into leadership positions. I believe we must attract the best scientists and engineers in the country to the Laboratory: the best men, the best women, the best minorities. We will not be able to do this if we do not allow them to become leaders. The plan called for solving this problem by the year 2000. If we do not solve this problem, I believe we will become a second-rate Laboratory. The Employer of Choice plan reinforces our Quality/Excellence, "Teamwork, and Caring values. Our actions will reinforce our values.

Appendix 2. Onion Layer Model

(This is just a draft -- It need more work, too!)

A couple of years ago I developed the Onion Layer Model of human resource management in response to the very negative message sent to our employees about the RIF that had occurred. It was very clear at that time that a RIF was very devastating to the moral and productivity of the Laboratory.

The Onion Layer model provides employees considerable protection from budget variations – see the attached figure. The idea was to provide the employee many protective barriers so we would not immediately jump to the RIF as a solution to our budget problems.

In the model, we would undertake a variety of long term, near term, and immediate activities to protect our employees. These actions include: improved technical program development, reduced the cost of doing business, emphasis on employee productivity, employee retraining and transfer, reduction in travel and purchases, etc.,

Adoption of the model and adherence to it would demonstrate to our employees that we care about them and they are important to us. This would strengthen our values.

HUMAN RESOURCE MANAGEMENT

(The "Onion Layer" Model)

ACTIVITIES

1. LONG TERM (ongoing)

- A. Technical Program Development
- B. Cost of Doing Business
- C. Employee Productivity (Training, Development, Performance, etc.)

2. NEAR TERM (next year)

- D. Employee Retraining, Transfer

3. IMMEDIATE (this year)

- E. Reduction in travel, purchases, Reduction in use of consultants, casuals, etc.
- F. Redirection of Employees
Directed Transfer
Retraining
- G. Reduction-in-Force
 - o Advanced notice
 - o Outplacement assistance
 - o Severance pay

